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1. The river passenger ship BAIKAL, [redacted] Warnow shipyard, was scheduled to leave port for shakedown runs not later than 10 November 1953. Her completion was postponed indefinitely, however, because of a construction defect resulting from insufficient cooperation between the designing, projecting and technological sections. She had an actual draft of 2.271 meters instead of the 2.1 meters designed. [redacted] the ship would probably not be accepted even if the shakedown runs proved successful. Since the sheet steel needed for the construction of four river passenger ships amounted to 478 tons, 517 tons, 378 tons and 267 tons instead of the designed quantity of 193 tons, the management of the shipyard ordered that an enquiry be made to find out those responsible for this waste. The enquiry was still pending on 12 November 1953.
2. On the afternoon of 18 November 1953, a sabotage act was committed against SOVIETSKI SOYUZ as several resistance men attempted to scuttle her by opening the bottom valves. The attempt was detected when she had a list of 10 degrees toward the quay wall. Twenty eight shipyard members were immediately arrested by the SSD. The damage done was considerable. [redacted] mentioned an amount of 114,520,000 eastmarks as the cost of SOVIETSKI SOYUZ, since the completion of the other ships was considerably delayed as workers had first to work on SOVIETSKI SOYUZ. [redacted] the target dates for the other ships would otherwise have been met, as the material needed including fittings and finished parts would have been available.
3. Material to the value of about 10,500,000 eastmarks, to be supplied not later than 25 October 1953, had been fixed by contract and could mostly be delivered. They included material to the value of 2,985,000 eastmarks for ADMIRAL NAKHIMOV; material to the value of 4,000,000 eastmarks for YURY DOLGORUKI; material to the value of 1,800,000 eastmarks for passenger ships; material to the value of 15,000 eastmarks for freighters; and material to the value of 1,300,000 eastmarks for production material. The material still to be supplied under the contract not later than 31 December 1953 included material to the value of 2,065,000 eastmarks for SOVIETSKI SOYUZ; material to the value of 1,671,000 eastmarks for ADMIRAL NAKHIMOV; material to the value of 996,000 eastmarks for YURY DOLGORUKI; material to the value of 4,532,000 eastmarks for passenger ships; and material to the value of 92,000 eastmarks for freighters. In October 1953, the consumption of material at the Warnow shipyard dropped 2,000 tons. During July, August and September 1953, the monthly consumption of material averaged about 8,000 tons and dropped to 4,400 tons in October. However, comparison with the material received during the period from January to October 1952 and 1953 showed that the average annual consumption of material in 1953 was higher than in 1952. While in 1952 about 58,965 tons of material to the value of about 7,000,000 eastmarks were received

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78,000 to 80,000 tons of material to the value of about 12,000,000 eastmarks were received in 1953. This increase in material had obviously been overlooked when plans for the storage sheds were prepared and made it necessary to overload the floor of the storage sheds. For example, the storage floor in shed No 3 had to carry a load of 880 kilograms with only a load of 500 kilograms per square meter permissible. Only one room in the still incomplete new warehouse building could be used as its completion was impossible for lack of funds. A total of 730 square meters of woolen table cloth for passenger ships and SOVIETSKI SOYUZ could not be procured in the last quarter of 1953. Wooden material to the value of 1,200,000 eastmarks needed for the production during the last three months of 1953 was reduced in value between 5 and 15 percent or about 120,000 eastmarks as a result of storage in the open. Wooden material to make good losses was often impossible to obtain. The monthly report submitted by the materials section of the Warnow shipyard in October 1953, indicated that difficulties in concluding delivery contracts for nuts and rivets for 1954 were expected. On 31 October 1953, the value of finished material and production material amounted to 12,378,000 eastmarks or 5,600,000 eastmarks more than established in the standard plan. A check of the surplus stocks showed unserviceable material valued at 600,000 eastmarks and serviceable material valued at 3,800,000 eastmarks. An application to the German Bank of Issue (DNB) for the latter sum had been made, but the credit could not be granted until 24 November 1953. The yard therefore applied for immediate allocation of funds to remedy its financial situation, as its bank assets amounted to only about 800,000 eastmarks. [redacted] learned that surplus stocks for definite purposes would probably be increased by 2,000,000 eastmarks worth of material, as the technological section still worked in accordance with the previous plan and had not yet drafted a plan in conformity with new orders requiring the cancellation of orders for material or, at least, the postponement of target dates. Since the material supply section could not amend the contracts made, production material valued at 9,500,000 eastmarks was expected to be available for definite objects by the end of 1953. Investigations by the section chief and the persons responsible for these objects confirmed this situation on 19 November 1953. In October 1953, The Warnow shipyard considerably exceeded the quota of scrap material. The scrap material obtained amounted to 584,525 tons of steel scrap and useful iron as against a quota of 466,6 tons; 26,930 tons of non-ferrous iron, as against a quota of 20,35 tons; and 1,430 tons of bones; and 6,943 tons of waste paper.

4. Serious difficulties resulted from frequent drops of voltage due to excessive consumption of electrical power. They left cranes idle for 12 to 14 hours daily and made it impossible to carry out loading and unloading operations according to plan, thus also affecting production plants.

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